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HON. O. P. MORTON'S

TERRE HAUTE SPEECH,

DELIVERED JULY 18, 1870, AT TERRE HAUTE, INDIANA.

Ladies and Gentlemen :

I shall begin what I have to say to-night by congratulating this large audience and the country upon the general condition of prosperity that prevails throughout our land. I think I may say with perfect truth there never was before since our government was formed a condition of such universal prosperity as prevails this day. Every condition of society is prosperous. There never was a time when labor was better rewarded than it is now, or when the wages of labor would purchase more of the necessities and the luxuries of life than now. There never was a time when labor was so honorable as it is now, and so universally recognized as the foundation of all national growth and prosperity.

And as it is with labor, so it is with every other department of the body politic. The mechanic, the merchant, the manufacturer, the professional man and the capitalist—all, to speak in general terms, are now flourishing—are now growing apace as they have never done before. I use strong language, but I am justified in doing it. Look at the prosperity of your own beautiful city. I am told it is growing more rapidly and acquiring wealth more rapidly than ever before. And as it is with Terre Haute so it is with Indianapolis, and almost every town in the State of Indiana; and as it is in Indiana so it is in Ohio and throughout our whole country.

Now, of course, there are some persons who are in embarrassed circumstances, and always will be. There never was a time, and there never will come a time, when there is not some particular industry or some particular line of business that perhaps is suffering, as compared with others. But I am speaking now of the mass of the community and the general condition of business; and I desire to call your attention to the great blessings by which you are surrounded. Whether you look at the development of our country in the West, the growth of our cities, the improvement of our farms, the building of railroads and turnpike roads, and every

species of public improvement; whether you look at the general consolidation of the business of the country—that it is now placed upon solid foundations—that it is now escaping from that element of inflation and speculation which always disorders and in time will destroy business—bear in mind that the business of the country is settling down upon solid and enduring foundations, and that, though our apparent prosperity may not be as great as when prices were high and when there was a general spirit of speculation—yet our prosperity now is steady; it is onward; it is regular. And I appeal to gentlemen of all parties to say if the thing we most desire and which we most need at the present time is not stability—stability in business, stability in the finances, stability in all those things that men must study and understand and calculate upon when engaged in individual enterprises, and understand well what they shall do the next year or the next month.

CROAKERS AND GRUMBLERS.

But, notwithstanding our unwonted prosperity and growth, there are croakers, there are grumblers; and there always will be. You have sometimes seen men who, when they were in perfect health, would strive to make everybody about them miserable by pretending that they were about to die. And so you will find politicians, in the midst of this great prosperity and this great affluence, who tell us the country is on the very brink of ruin—on the very eve of bankruptcy—and that if they are not placed in power, or their party, everything will go to destruction. Now you know these things are not so, and there is no intelligent lady or gentleman here to-night—and I care not what party they belong to—who, if they will take a deliberate survey of the condition of this community, of this State, and of this nation, will not come to the conclusion that, as a people, we are more prosperous in this year 1870 than in any former period of our national life.

I spoke of stability; take, for example,

again of course; to use a common expression, it would "go up like a rocket and come down like a stick." We would have the same gloomy and terrible course to travel again. We are now approaching a condition of solid prosperity. Our currency is rapidly becoming good; but if we issue fifteen or sixteen hundred millions of greenbacks to pay off these bonds, we would first rob our creditors, and then rob the people by leaving this money in their hands so depreciated that it would take a hat full of it to buy a hat; it might be bad, as it was in France, for a dollar a bushel.

THE REPUBLICAN PARTY AND THE TARIFF.

Passing from that, I come now to the question of the tariff. There is a great deal said by Democratic politicians about the tariff. What is a tariff? A duty levied upon foreign goods imported into the United States. We have always had a tariff in this country ever since the Government was formed. It began with the administration of George Washington; and before the Union was formed the several States had their respective tariffs. We have always raised revenue by a tariff, and always shall. It has been done under every administration. When the war came on we could not raise enough money by a tariff. We had to raise it by a tariff in part. We have been reducing it as we could, but we still have to raise a hundred and fifty-five or a hundred and sixty-five million dollars a year by a tariff. Now if you abolish the tariff, how will you get money to carry on the government? Will you get it by direct taxation? Is the Democratic party in favor of that? Certainly not; nobody is in favor of that. Then we must have a tariff to get revenue. It is idle to talk about repealing it, unless you can carry on the Government without money.

Then free trade is out of the question; when a man talks about it he talks about a thing that is impossible. I do not care in what manner you adjust the tariff, if you have a tariff at all it will afford some protection; you must have a tariff for revenue, and free trade is out of the question as long as you have a tariff.

THE VARIOUS KINDS OF TARIFF.

There are several kinds of tariff. There is what is called a prohibitory tariff—that is an obsolete idea. I know of nobody who is in favor of it. Then there is a tariff for protection merely that differs but little from a prohibitory tariff in principle; that is not the kind of tariff that we want. But as a tariff for revenue will afford some protection, and as we must have a tariff for revenue, we propose that the protection shall result in favor of our own producers, and not in favor of foreign producers.

There are two or three ways of levying

a tariff. One way, advocated by Mr. Kerr, is to levy it highest upon articles that we do not produce at all, such as tea, sugar and coffee. If you do that, of course it must come lightest upon articles that we do produce in competition with foreign countries, so as to afford to our own producers the least possible protection and encouragement.

There is another plan called the horizontal tariff, which is levied at an equal rate of per cent. on all articles without regard to whether they are luxuries or necessities. It has been said to be a tariff of strict neutrality between the home producer and the foreign producer. If you think that neutrality in that respect between home producers and foreign producers should prevail, then you would be in favor of the horizontal tariff; but there are very few people who are in favor of that. In levying a tariff for revenue, we should in the first place put the tax higher upon luxuries than upon necessities, and then, if there must be a discrimination, let it be in favor of our home producers.

Then there is another method of levying a tariff; put it lowest on articles that we do not produce, and higher upon articles that we do produce, so that there shall be at all times a fair and equal competition between the foreign and the home producer. If you make it a prohibitory tariff you get no revenue by it. If you put it below the point of competition you get revenue only, and give the market over to the foreign producer. We do not want a prohibitory tariff; we do not want to make a monopoly here; but as you must have a tariff, how should you levy it? I say put it at a point that will afford a fair competition between the home and foreign producer. That brings you revenue because there is competition, and competition implies foreign importation. That gives revenue, and at the same time builds up your own home producers, home manufacturers and home labor. I am for protecting home labor as far as it can be done legitimately. I do not want to see the laboring men of this country working for the same prices that the working men of Great Britain, France and Germany command. Labor is higher in this country than it is in the countries of Europe, and I hope and expect to see it maintained, and when we can legitimately protect and encourage our own labor, I am in favor of doing it. But I do not want anybody to say because I say this that I am in favor of a prohibitory tariff, or a protective tariff, in the offensive sense in which the term is used; but what I say is, we have got to have a tariff. I do not care how much Democrats may bawl in favor of Free Trade; we must have a tariff, because we have to carry on the Government, and cannot do it without money, and as we must have a tariff I want it so

adjusted as to discriminate in favor of the home producer, not the foreign producer.

A HOME MARKET.

Another thing right here: I am in favor of building up a home market. I think there are some farmers here to-night, and I want to say to them that it is better for them to sell their wheat at \$1 50 per bushel in Terre Haute, than it is to sell it at \$1 50 per bushel in New York and then have to pay for its transportation to Liverpool, Brest, or some other European port. What is the fact? I see here behind me a distinguished railroad man; I state it as a general proposition, and I think I am not far out of the way, that it will take one bushel out of three, or very nearly that, to send your wheat to New York, and then it will cost a good deal to get it from New York to Liverpool. Mr. McKeen, am I not right? (The gentleman addressed, W. R. McKeen, Esq., President of the Terre Haute, Vandalia & St. Louis Railroad, replied that the speaker's estimate was correct.) Now, you are in pursuit of a foreign market, recollect. When it comes to corn, I guess it takes nearly one bushel to send the other to New York; and then if you go in search of a foreign market, which some gentlemen are so fond of, you have to pay the additional cost of transportation across the Atlantic. So that it is to our interest to have our market at home. It is to our interest to have all kinds of industry and all kinds of manufactures. I do not want to create a monopoly; I have stated my principles; but I say boldly here that it is to our interest to have as many different manufactures as we can. Do you think everybody ought to be farmers? If everybody were farmers, then the farmers would have no market. No, it is not the interest of these gentlemen who are engaged in farming to have everybody farmers; it is our interest to have diversified pursuits; it is our interest to manufacture, as far as we can, what we need, and that the men who manufacture buy what the farmer has to sell and sell to the farmer what he wants. Will any man dispute the soundness of these principles? And yet some politicians will come before the country and argue as if there was no honorable pursuit but farming. They want to flatter the farmers, but farmers have too much intelligence and good sense to be deceived by them. They know their interest is to have a good market for their produce, and to have it as near home as possible. And one great desideratum that we have now to look to is cheap transportation to the Eastern cities. We have got to have it, and we are going to try.

The nearer you can bring the market at home to the farmer, the better for the farmer, and the better for all classes of people.

WISDOM AND STATESMANSHIP OF REPUBLICAN LEGISLATION.

They tell you a great many articles are taxed. Of course they are. This tariff must fall on something. You cannot take in a hundred and sixty millions of dollars of revenue every year unless you tax nearly everything more or less; but we have been reducing these taxes. I want to state to you—although you are doubtless already familiar with it—what has recently occurred in Congress. We have passed a bill to reduce taxation, and by that bill have reduced taxation to the amount of eighty million dollars. Now reducing taxes eighty million dollars is worth a great many Democratic speeches and a great many Democratic arguments. There is a great fact. We have just repealed fifty-seven millions of internal taxes, and at the same time reduced the tariff twenty-three millions. We could not come down altogether; we came down as low as we could to raise the necessary amount of money to carry on the Government, but we have, by means of certain great improvements in the administration, been enabled within the last fifteen days to repeal eighty millions of taxes. How have we done that? First, we have repealed all, or nearly all, the internal taxes, except those on whisky and tobacco and the sales of whisky and tobacco—all the rest with the exception of stamps. We have abolished stamps put on receipts, which are a vexation to the people, and we have abolished stamps on all notes under one hundred dollars. We have brought down this kind of taxation to the lowest point that we could, and nearly all that is left of it is on tobacco and whisky. A thousand other little taxes that had to be levied during the war, we have now swept away.

REFORM AND EQUALIZATION OF THE TARIFF.

Well, how about the tariff? We have taken off twenty-three millions from the tariff. On what? Principally on tea, coffee, and sugar, those three great necessities of life, that are consumed by every family in this country, and consumed not according to their wealth but according to their number. The laboring man—the man in every condition of life must have his tea, coffee, and sugar. We have reduced the tax on tea from twenty-five cents to fifteen cents per pound; on coffee from five cents to three cents per pound. We have taken three cents per pound off sugar, or 33 per cent. of the entire tariff.

We have reduced the duty on pig iron from \$9 to \$7 per ton, bringing it down to the point where we think there will be a fair competition between the home and foreign producer. A great many articles we

have put on the free list, upon which there was a small duty. So this Congress, that has been so much abused and traduced, has reduced your taxes eighty millions of dollars. In the presence of a grand result of this kind all little petty grumbings, carpings, and fault-findings disappear. Here is a great event, a grand result. And it was brought about by the Republican party, and without the aid of the Democratic party.

DEMOCRATS VOTE AGAINST REDUCED TAXES.

Now, I want to call your attention to the fact that, notwithstanding our Democratic friends are complaining continually about the tariff, not one of them, in either branch of Congress, voted for this bill that reduced taxation eighty millions of dollars—not one of them. The work has been done, but they did not do it; it has been done by the Republican party in Congress. Some of you will wonder at that—that these Democratic politicians, who have been talking so earnestly about the burden of taxation, when brought to the test not one of them would vote for the bill upon its final passage! The most of them voted against it, and some of them dodged; but if there is one man that voted for it I do not know it.

DEMOCRATIC HYPOCRISY.

The Democrats in State Convention, in January last, resolved that tea, coffee, and sugar should be put on the free list. Those great necessities of life, we could not do without a tax upon them. We have got to have the one hundred and sixty millions of revenue, and although we put as much on luxuries as we can, we cannot put it all there; there are not enough of them. We must pay something on our tea, coffee, and sugar, and in fact on nearly everything else. It takes a great many taxes to make a hundred and sixty millions of dollars. These Democrats wanted the tax taken off from those articles; they wanted tea, coffee, and sugar put on the free list, but when the time for voting came not one of them voted for the bill. To show you how perfectly hollow and hypocritical are all these Democratic professions, I refer you to this vote on the final passage of that bill. There is the test. One vote in favor of reducing taxation is worth a hundred speeches in favor of it. They have made hundreds of speeches, but when the time came to vote they either voted the other way, or were not there.

I read an extract from the *New York World*, one of the leading Democratic papers in the United States, and by all odds the ablest. This is of recent date, within the last ten days; it is commenting on this bill that I was just speaking of:

"The proposal of the 'tail tariff,' as it is now called, from the fact of its having been tacked on the end of the internal tax bill, was a shrewd move on Schenck's part. By offering a measure for the diminution of taxation—though the reductions themselves were made in the most objectionable way, viz: mainly upon tea, coffee, and sugar—Schenck was able to secure the Republican vote for his bill. The Republican revenue reformers knew that they could not face their constituents without having reduced taxation, and at this late period in the session no measure for the purpose other than that before them was possible."

WHAT ACTUATES THE DEMOCRATIC PARTY.

What is the trouble with our Democratic friends? I will tell you. They have but one rule of action practically, as though they have theoretically others; and that is to oppose whatever the Republican party does. When we proposed to reduce the tax on one article, they want it reduced on the other, but when we come to the other then they say it's the t'other. And so we can never get to that article upon which they are willing to reduce taxation. After their clamoring about the tariff on iron, as they have been for years, when we proposed in this bill to bring down the tariff from \$9 to \$7 per ton, the bill that contained that reduction never secured a single Democratic vote. No, these are not the articles they want the taxes reduced on. They are in favor of reduction on everything except the articles contained in the bill. We have selected those things that we thought most important for the great mass of the nation, and especially for the poor people and the laboring part of the community, because the wealthy can always take care of themselves. We have selected these articles and reduced the tax on them, but yet we were not able to secure the aid of a single Democratic member in either House.

OUR GREAT FINANCIAL MEASURES.

I come now to the Funding Bill. We have passed a Funding Bill. What is that? We mean by a Funding Bill, a bill by which we will be able to reduce the rate of interest on the public debt. Our bonds now draw six per cent. and five per cent. We could not get money at any less rate during the war, but the time is come now when we think we can borrow money at lower rates. How do we propose to do it? Not by violating the contract by trying to swindle our creditors—the men who loaned their money to the Government—but by an honest and legitimate method, such as has been practiced by every honorable government in the world. We passed a bill authorizing the Government to issue three kinds of new

bonds. First, bonds to the amount of two hundred millions, drawing five per cent.; second, bonds to the amount of two hundred millions, drawing $4\frac{1}{2}$ per cent.; third, bonds to the amount of one thousand millions, drawing four per cent. We authorized our Secretary to sell these bonds, if he can, at par. If he can sell a bond at par that draws only four per cent. interest, then he can take the money he gets for that bond and buy with it another bond that draws six per cent., and thus save to the Government two per cent. per annum. If he sells a bond drawing four and a half per cent., and buys a bond of like amount drawing six, he saves to the Government one and a half per cent. per annum. That is what we call funding the debt, and we propose to put the debt into new bonds that draw a lower rate of interest, by which we can save from ten to twenty millions per annum. Do you not think that is a good purpose—an honorable and an honest purpose? We have been trying to get such a bill for two years. We have got one secured; it is signed; it is the law of the land to-night. And yet this bill could not secure the vote, so far as I know, of a single Democrat, although they have been complaining so much about the great burden of interest the people are paying. They complained about our paying interest. They want to stop the interest by paying off the bonds in irredeemable paper money, but when we get an honest, honorable and proper method of putting down this interest, and reducing the expenses of the Government, it was not able to secure the vote of a single Democratic member or Senator. No. They talk about these things, but when the time for action comes—when the time to accomplish it comes—they are not there.

So much, then, in regard to the Funding bill. We expect that we shall fund this debt. We expect that we shall be able to sell low priced bonds, and buy up those bearing a higher rate of interest, and thus save millions every year, until the whole debt is finally funded, and the money thus saved in the way of interest can be applied to the payment of the bonds.

REPUBLICAN HONESTY—GRANT'S AND JOHNSON'S ADMINISTRATIONS CONTRASTED.

Now, the question may present itself to your mind, how is it that we have been able to repeal eighty millions of taxes? Why was that not done before? You have had a Republican Congress all the time; why could you not do it before? I will tell you. We have had a Republican Congress, but not a Republican Administration until the last sixteen months. The last three and a half years of President Johnson's administration was as thorough-ly Democratic as was that of James Bu-

chanan or Franklin Pierce. I want to tell you how we are able at this time to repeal eighty millions of taxes, and still have surplus money coming into the Treasury. First, by economy—by reducing the expenses of the Government, and we reduced them, as compared with President Johnson's administration, over fifty millions of dollars. They have been curtailed here, and curtailed there, and in the other place, and the expenses of the Government have been greatly reduced. Then we have gained a large amount in another way—by the honest collection of the revenue. I wish to show you a statement I obtained from the Secretary of the Treasury only three or four days ago. I saw Mr. Boutwell the day I started from Washington, and asked him to send me a statement, over his own signature, as to the amount of the gain by the honest collection of the revenue since General Grant came into power. Here it is, and I shall read it to you:

"TREASURY DEPARTMENT,
WASHINGTON, D. C., July 5th, 1870.
Hon. O. P. Morton:

In reply to your verbal inquiry I have the honor to state that there has been an increase of thirty-two millions six hundred and seventy-five thousand dollars in the Internal Revenue receipts during the first sixteen months of President Grant's administration, as compared with the last sixteen months of President Johnson's administration."

There, you have it. On the same rate of taxation—even with less, because under Johnson's administration the tax on whiskey was two dollars per gallon, while it is now fifty cents per gallon, we have an increase of more than thirty-two millions in the receipts of Internal Revenue in sixteen months. Mr. Boutwell goes on:

"And an increase of nineteen millions four hundred and six thousand nine hundred and fifty-three dollars in custom duties for the same period and upon the same comparison, making an aggregate of fifty-one millions four hundred and eight thousand six hundred and ninety dollars."

Just resulting from an honest administration! When you add this to what we have gained in the way of economy by reducing the expenditures, you will understand how we are able to reduce taxation eighty millions of dollars by one single blow.

I read again from his statement: "The decrease of the public debt for the last sixteen months is one hundred and thirty-nine millions one hundred and four thousand six hundred and sixty dollars."

THE WAR DEBT MELTING AWAY.

Since Grant came into power, and up to the 5th day of July, nearly one hundred and forty millions of the public debt have

been paid off, and I have just got a dispatch showing that up to to-night the public debt will have been reduced over one hundred and forty-six millions since General Grant came into power, while during the last sixteen months of President Johnson being in power only eight millions of reduction was made, or a little over; certainly less than nine millions. At this rate the public debt will be paid off in less than fifteen years. It is true you have all been ground down by taxation; all perishing with it. You are all poor, badly dressed and half starved, as you all know; but we have paid off nearly a hundred and forty millions of this debt since Grant came into power.

Here is another great result. Is it not better to pay off the debt in this way than to attempt to swindle the creditors out of it by using irredeemable paper for the whole amount? To have them lose the debt and the people lose the currency? And nobody gain anything by it but the swindlers and shavers? I say, in the presence of these great results, all Democratic arguments fall to the ground, and come to nothing.

And what has been done in these sixteen months will be increased in the next sixteen months. The administration is getting better month after month, and will get better year after year. The machinery is only fairly in operation now.

THE TRUE "LABOR" PARTY OF THE COUNTRY.

I said the Republican party is the great labor party of the country, and so it is. Another thing: it is the great reform party of this country. We have made the greatest reforms that ever were made, and shall continue to make them; but we only do one big thing at a time. People that undertake to do everything at once, nearly always fail as to everything. You can see how we have advanced step by step, until the country is brought to its present condition. There are other great reforms to be accomplished, and the Republican party is the party to do it. I tell my friends if they want reform to stay with that party that has made reforms, and that is imbued with the spirit of reform now. Somehow or other, whenever a man fails to get an office that he wants, he is very apt to become a reformer. He discovers all at once that he is taxed to death. It may turn out, upon inquiry, that he never paid a dollar poll tax in his life, he becomes all at once grievously oppressed and afflicted by taxation. The Republican party cannot give all its honorable members offices, nor one in a thousand of them. The party was not

created for the purpose of creating offices, but was created for the benefit of the nation, and whenever it ceases to be for the benefit of the nation it should be dissolved. No party should live an hour longer; and whenever the Republican party becomes corrupt and demoralized, and ceases to be a reform party, it is high time for it to give way to some other party; not the Democratic party; oh no! but for some new party that will come with reform in its hands, and do those things that it has failed to do.

DUTY OF EVERY PATRIOT.

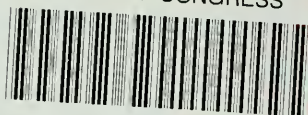
The old saying is: "Praise the bridge that carries you safely over." Stand by the party that saved the country in the dark hours of the rebellion; that abolished slavery. Stand by the party that will restore stability and solid business foundations; the party that has given to this country a prosperity and glory it has never had before. Stand by that party, and in so doing you will stand by the Republican party.

The Republican party has not performed its mission—not until the work of reconstruction is completed. Now we have admitted all the States. Georgia has been admitted; she has taken her place once more in the Union; she has been admitted upon correct principles, upon principles that I contended for throughout this session of Congress, and for the advocacy of which I received some censure. The work of reconstruction is perfect and complete so far as that is concerned, but there is much to do yet in the Southern States. There is a deep feeling of hostility to Union men on the part of rebels yet, and especially to the colored men that have been enfranchised. We have got to take care of those people. We are bound to take care of the Union men of the South, and we will do it. The Republican party is committed to that in honor; to the payment of the national debt, and the preservation of the credit of the nation; and for other reasons I might mention, but have not time, the Republican party should be preserved.

I thank you kindly for your attention. I have endeavored to speak to you plainly and freely, and in conclusion I exhort you not to be governed by the prejudices of party, but to stand by those men and those principles that have preserved, fostered, and maintained your interest, politically, pecuniarily, and in every point of view.

I claim that this has been done by the Republican party of this nation, and I ask you, therefore, to continue to give it your support.

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